

FIRST REGULAR SESSION
[P E R F E C T E D]
SENATE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 320
94TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR CLEMENS.

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TERRY L. SPIELER, Secretary.

0540S.06P

AN ACT

To repeal sections 340.335, 340.337, 340.339, 340.341, 340.343, 340.345, and 340.347, RSMo, and to enact in lieu thereof seventeen new sections relating to large animal veterinary student loan assistance.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 340.335, 340.337, 340.339, 340.341, 340.343, 340.345, 2 and 340.347, RSMo, are repealed and seventeen new sections enacted in lieu 3 thereof, to be known as sections 340.335, 340.337, 340.339, 340.341, 340.343, 4 340.345, 340.347, 340.375, 340.381, 340.384, 340.387, 340.390, 340.393, 340.396, 5 340.399, 340.402, and 340.405, to read as follows:

340.335. 1. Sections 340.335 to 340.350 establish a loan repayment 2 program for graduates of approved veterinary medical schools who practice in 3 areas of defined need and shall be known as the "Large Animal Veterinary 4 Medicine Loan Repayment Program".

5 2. The "Large Animal Veterinary Medicine Loan Repayment Program 6 Fund" is hereby created in the state treasury. All funds recovered from an 7 individual pursuant to section 340.347 and all funds generated by loan 8 repayments and penalties received pursuant to section 340.347 shall be credited 9 to the fund. The moneys in the fund shall be used by the [Missouri veterinary 10 medical board] **department of agriculture** to provide loan repayments 11 pursuant to section 340.343 in accordance with sections 340.335 to 340.350.

340.337. As used in sections 340.335 to [340.350] **340.405**, the following

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

2 terms shall mean:

3 (1) "Areas of defined need", areas designated by the [board] **department**
4 pursuant to section 340.339, when services of a large animal veterinarian are
5 needed to improve the [client-doctor] **veterinarian-patient** ratio in the area, or
6 to contribute professional veterinary services to an area of economic impact;

7 (2) ["Board", the Missouri veterinary medical board] "College", the
8 college of veterinary medicine at the University of Missouri-Columbia;

9 (3) "Department", the Missouri department of agriculture;

10 (4) "Director", director of the Missouri department of agriculture;

11 (5) "Eligible student", a resident who has been accepted as a full-time
12 student at the University of Missouri-Columbia enrolled in the doctor of
13 veterinary medicine degree program at the college of veterinary medicine;

14 [(3)] (6) "Large animal veterinarian", veterinarians licensed [and
15 registered] pursuant to this chapter, engaged in general or large animal practice
16 as their primary [specialties] **focus of practice**, and who have at least fifty
17 percent of their practice devoted to large animal veterinary medicine;

18 (7) "Qualified applicant", an eligible student approved by the
19 **department for participation in the large animal veterinary student**
20 **loan program established by sections 340.375 to 340.405;**

21 (8) "Qualified employment", employment as a large animal
22 veterinarian and where a substantial portion of business involves the
23 treatment of large animals on a full-time basis in Missouri located in an
24 area of need as determined by the department of agriculture. Qualified
25 employment shall not include employment with a large-scale
26 agribusiness enterprise, corporation, or entity. Any forgiveness of such
27 principal and interest for any qualified applicant engaged in qualified
28 employment on a less than full-time basis may be prorated to reflect the
29 amounts provided in this section;

30 (9) "Resident", any person who has lived in this state for one or
31 more years for any purpose other than the attending of an educational
32 institution located within this state.

340.339. The [board] **department** shall designate counties, communities
2 or sections of rural areas as areas of defined need as determined by the [board]
3 **department** by rule.

340.341. 1. The [board] **department** shall adopt and promulgate rules
2 establishing standards for determining eligible persons for loan repayment

3 pursuant to sections 340.335 to 340.350. Such standards shall include, but are
4 not limited to the following:

- 5 (1) Citizenship or permanent residency in the United States;
- 6 (2) Residence in the state of Missouri;
- 7 (3) Enrollment as a full-time veterinary medical student in the final year
8 of a course of study offered by an approved educational institution in Missouri;
- 9 (4) Application for loan repayment.

10 2. The [board] **department** shall not grant repayment for more than
11 [five] **six** veterinarians each year.

340.343. 1. The [board] **department** shall enter into a contract with
2 each individual qualifying for repayment of educational loans. The written
3 contract between the [board] **department** and an individual shall contain, but
4 not be limited to, the following:

5 (1) An agreement that the state agrees to pay on behalf of the individual,
6 loans in accordance with section 340.345 and the individual agrees to serve for
7 a time period equal to [five] **four** years, or such longer period as the individual
8 may agree to, in an area of defined need, such service period to begin within one
9 year of [the signed contract or] graduation by the individual with a degree of
10 doctor of veterinary medicine[, whichever is later];

11 (2) A provision that any financial obligations arising out of a contract
12 entered into and any obligation of the individual which is conditioned thereon is
13 contingent upon funds being appropriated for loan repayments;

14 (3) The area of defined need where the person will practice;

15 (4) A statement of the damages to which the state is entitled for the
16 individual's breach of the contract;

17 (5) Such other statements of the rights and liabilities of the [board]
18 **department** and of the individual not inconsistent with sections 340.335 to
19 340.350.

20 2. The [board] **department** may stipulate specific practice sites
21 contingent upon [board-generated] **department-generated** large animal
22 veterinarian need priorities where applicants shall agree to practice for the
23 duration of their participation in the program.

340.345. 1. A loan payment provided for an individual pursuant to a
2 written contract under the large animal veterinary medicine loan repayment
3 program shall consist of payment on behalf of the individual of the principal,
4 interest and related expenses on government and commercial loans received by

5 the individual for tuition, fees, books, laboratory and living expenses incurred by
6 the individual.

7 2. For each year of obligated services that an individual contracts to serve
8 in an area of defined need, the [board] **department** may pay up to [ten] **twenty**
9 thousand dollars on behalf of the individual for loans described in subsection 1
10 of this section.

11 3. The [board] **department** may enter into an agreement with the holder
12 of the loans for which repayments are made under the large animal veterinary
13 medicine loan repayment program to establish a schedule for the making of such
14 payments if the establishment of such a schedule would result in reducing the
15 costs to the state.

16 4. Any qualifying communities providing a portion of a loan repayment
17 shall be considered first for placement.

340.347. 1. An individual who has entered into a written contract with
2 the [board] **department** or an individual who is enrolled [in a course of study]
3 **at the college** and fails to maintain an acceptable level of academic standing [in
4 the educational institution in which such individual is enrolled] or voluntarily
5 terminates such enrollment or is dismissed [from such educational institution]
6 before completion of such course of study or fails to become licensed pursuant to
7 this chapter within one year after graduation shall be liable to the state for the
8 amount which has been paid on such individual's behalf pursuant to the contract.

9 2. If an individual breaches the written contract of the individual by
10 failing either to begin such individual's service obligation or to complete such
11 service obligation, the state shall be entitled to recover from the individual an
12 amount equal to the sum of:

13 (1) The total of the amounts paid by the state on behalf of the individual,
14 including interest; and

15 (2) An amount equal to the unserved obligation penalty, which is the total
16 number of months of obligated service which were not completed by an individual,
17 multiplied by five hundred dollars.

18 3. The [board] **department** may act on behalf of a qualified community
19 to recover from an individual described in subsections 1 and 2 of this section the
20 portion of a loan repayment paid by such community for such individual.

340.375. 1. **The department of agriculture shall implement and**
2 **administer the large animal veterinary student loan program**
3 **established under sections 340.375 to 340.405, and the large animal**

4 veterinary medicine loan repayment program established under
5 sections 340.335 to 340.350.

6 2. An advisory panel of not more than five members shall be
7 appointed by the director. The panel shall consist of three licensed
8 large animal veterinarians, the dean of the college or his or her
9 designee, and one public member from the agricultural sector. The
10 panel shall make recommendations to the director on the content of
11 any rules, regulations or guidelines under sections 340.335 to 340.405
12 prior to their promulgation. The panel may make recommendations to
13 the director regarding fund allocations for loans and loan repayment
14 based on current veterinarian shortage needs.

15 3. The department of agriculture shall promulgate reasonable
16 rules and regulations for the administration of sections 340.375 to
17 340.405. It shall prescribe the form, the time and method of filing
18 applications and supervise the proceedings thereof. Any rule or
19 portion of a rule, as that term is defined in section 536.010, RSMo, that
20 is created under the authority delegated in this section shall become
21 effective only if it complies with and is subject to all of the provisions
22 of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This
23 section and chapter 536, RSMo, are nonseverable and if any of the
24 powers vested with the general assembly pursuant to chapter 536,
25 RSMo, to review, to delay the effective date, or to disapprove and annul
26 a rule are subsequently held unconstitutional, then the grant of
27 rulemaking authority and any rule proposed or adopted after August
28 28, 2007, shall be invalid and void.

340.381. 1. There is hereby created in the state treasury the
2 "Veterinary Student Loan Payment Fund", which shall consist of
3 general revenue appropriated to the large animal veterinary student
4 loan program, voluntary contributions to support or match program
5 activities, money collected under section 340.396, and funds received
6 from the federal government. The state treasurer shall be custodian of
7 the fund and may approve disbursements from the fund in accordance
8 with sections 30.170 and 30.180, RSMo. Upon appropriation, money in
9 the fund shall be used solely for the administration of sections 340.375
10 to 340.405. Notwithstanding the provisions of section 33.080, RSMo, to
11 the contrary, any moneys remaining in the fund at the end of the
12 biennium shall not revert to the credit of the general revenue

13 fund. The state treasurer shall invest moneys in the fund in the same
14 manner as other funds are invested. Any interest and moneys earned
15 on such investments shall be credited to the fund.

16 2. Notwithstanding the provisions of subsection 1 of this section
17 to the contrary, at the end of each biennium and after all statutorily or
18 constitutionally required transfer of funds have been made, the state
19 treasurer shall transfer the balance in the fund, except for gifts,
20 donations, bequests, or money received from a federal source, created
21 in this section in excess of two hundred percent of the previous fiscal
22 year's expenditures into the state general revenue fund.

340.384. The department of agriculture shall enter into a contract
2 with each qualified applicant receiving financial assistance under the
3 provisions of sections 340.375 to 340.405 for repayment of the principal
4 and interest.

340.387. Eligible students may apply to the department for
2 financial assistance under the provisions of sections 340.375 to 340.405.
3 If, at the time of application for a loan, a student has formally applied
4 for acceptance at the college, receipt of financial assistance is
5 contingent upon acceptance and continued enrollment at the college.
6 A qualified applicant may receive financial assistance for each
7 academic year he or she remains a student in good standing at the
8 college, provided the total amount of financial assistance does not
9 exceed eighty thousand dollars per qualified applicant.

340.390. Up to six qualified applicants per academic year may be
2 awarded loans under the provisions of sections 340.375 to
3 340.405. Priority for loans shall be given to eligible students who have
4 established financial need. All financial assistance shall be made from
5 funds credited to the veterinary student loan payment fund.

340.393. The department shall establish schedules for repayment
2 of the principal and interest on any financial assistance made under
3 the provisions of sections 340.375 to 340.405. Interest at the rate of nine
4 and one-half percent per annum shall be charged on all financial
5 assistance made under the provisions of sections 340.375 to 340.405, but
6 the interest and principal of the total financial assistance granted to a
7 qualified applicant at the time of the successful completion of a doctor
8 of veterinary medicine degree program shall be forgiven through
9 qualified employment.

340.396. The financial assistance recipient shall repay the
2 financial assistance principal and interest beginning not more than one
3 year after completion of the degree for which the financial assistance
4 was made in accordance with the repayment contract. If an eligible
5 student ceases his or her study prior to successful completion of a
6 degree or graduation from the college, interest at the rate specified in
7 section 340.393 shall be charged on the amount of financial assistance
8 received from the state under the provisions of sections 340.375 to
9 340.405, and repayment, in accordance with the repayment contract,
10 shall begin within ninety days of the date the financial aid recipient
11 ceased to be an eligible student. All funds repaid by recipients of
12 financial assistance to the department shall be deposited in the
13 veterinary student loan payment fund for use pursuant to sections
14 340.375 to 340.405.

340.399. The department shall grant a deferral of interest and
2 principal payments to a financial assistance recipient who is pursuing
3 a post-degree training program, or upon special conditions established
4 by the department. The deferral shall not exceed four years. The
5 status of each deferral shall be reviewed annually by the department
6 to ensure compliance with the intent of this section.

340.402. When necessary to protect the interest of the state in
2 any financial assistance transaction under sections 340.375 to 340.405,
3 the department may institute any action to recover any amount due.

340.405. 1. Sections 340.375 to 340.405 shall not be construed to
2 require the department to enter into contracts with individuals who
3 qualify for education loans or loan repayment programs when federal,
4 state and local funds are not available for such purposes.

5 2. Sections 340.375 to 340.405 shall not be subject to the
6 provisions of sections 23.250 to 23.298, RSMo.

7 3. Sections 340.375 to 340.405 shall expire on June 30, 2013.

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